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Hungary

Grain and Feed

Crop Update

2005

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Report Highlights:

According to Ministry of Agriculture and Rural Development (MARD), more than 80 % of the corn production area has been harvested. The average yield of the harvested areas is 7.7 MT/ha. The total harvested crop is 7 million MT. Dry, mild, still weather helped the drying down of the crop. Soil cultivation and winter crop seeding (such as rapeseed, autumn barley, and winter wheat) were delayed by the moist soil and the prolonged corn and sunflower harvest. Winter wheat seeding was also late with more than 1 million ha being completed by mid-November. The Government of Hungary expects a ten percent increase in seeded area in the next few days. The total production area for winter wheat may reach the previous year level, but seeding was completed later than optimum, and unfavorable winter weather may damage the weak green crop. Hungary still copes with a domestic and regional shortage of grain store capacity.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[HU]

Corn

The production area of corn was about 1,205 thousand hectare this year, slightly above the 2004 level. Extensive rainfall in August drove crop forecasts up to 8.5 million MT and beyond. While the rainy weather curbed corn crop potential. Negative consequences of the wet fall included prolonged corn drying into mid-late October; increased machine drying which increased production costs and spoiled some quality; a late harvest, combined with corn rootworm (Western Corn Borer) damage (that resulted in harvest losses with some losses being potentially high); a drawn out corn and sunflower harvest that hampered soil cultivation and the planting of fall seeded crops.

According to Ministry of Agriculture and Rural Development (MARD), more than 80 % of the corn production area has been harvested. The average yield of the harvested areas is 7.7 MT/ha. The total harvested crop is 7 million MT. Dry, mild, still weather helped the drying down of the crop. Machine drying, estimated at \$24 USD/MT (HUF 5,000/MT) remains within the norm.

Fall planted crops

Soil cultivation and winter crop seeding (such as rapeseed, autumn barley, and winter wheat) were delayed by the moist soil and the prolonged corn and sunflower harvest. Winter crops follow sunflower and/or corn in the crop rotation in the large areas. Thanks to adequate weather conditions, the sunflower harvest at 1,156,000 MT from 517,000 hectares was finished by the end of October, and the seeding of rapeseed and autumn barley (146,000 and 188,000 hectare respectively) was finished by this time as well.

Winter wheat seeding was also late with more than 1 million ha being completed by mid-November. The Government of Hungary expects a ten percent increase in seeded area in the next few days. The total production area for winter wheat may reach the previous year level, but seeding was completed later than optimum, and unfavorable winter weather may damage the weak green crop. An additional shortcoming for the next crop is the less than adequate use of elite planting seed. According to the Seed Producers Association, farms used 50% percent less certified wheat seed this fall than a year ago. This "cost saving" approach puts yields and crop quality at risk for the next harvest.

Trade

Hungary still copes with a domestic and regional shortage of grain store capacity, however the protracted corn harvest eased the storage crunch. Senior officials of the MARD point to new grain elevator capacities of 2.4 million MT that are currently under construction at a value of \$21 million USD (HUF 4.4 bn). Warehouses for about 1.1 million MT will be completed by the end of the year.

Since July 2005, 1.2 million MT of grain have been removed from the country, but the monthly 300,000 MT export shipments of the summer months started to decrease in October. Hungary's delivery of grains to the Iberian peninsula went slower than expected. Barge traffic on the Danube river is being hampered by low water levels due to the dry season. Railway traffic to the south-west is limited by the lack of available freight cars. The Hungarian Railways has leased cars from Italy and Slovenia, but the peak season for transporting bulk commodities in the entire region is this time of year.